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AMENDMENTS TO LB 622

(Amendments to Final Reading copy)

1 1. Insert the following new sections:

2 "Section 1. Section 77-27,139.03, Revised Statutes
3 Supplement, 2002, is amended to read:

4 77-27,139.03. (1) State aid provided to municipalities
5 pursuant to sections 77-27,139.01 to 77-27,139.04 shall be
6 calculated by determining the average property tax levy for
7 operational purposes other than for principal and interest payments
8 on the indebtedness of all incorporated municipalities. The
9 Auditor of Public Accounts shall provide to the Department of
10 Revenue a list of the bond and nonbond tax request amounts from the
11 most recent budgets filed by incorporated municipalities. The
12 information shall be used to calculate the bond and nonbond tax
13 levies for aid purposes under this section. The auditor shall
14 provide the information to the department by February 1 each year.

15 (2) Each municipality shall receive state aid from the
16 Municipal Equalization Fund equal to (a) the product of the average
17 per capita property tax of the appropriate population group
18 multiplied by the current population of the municipality minus (b)
19 the product of the average property tax levy multiplied by the
20 certified valuation within the incorporated municipality, except
21 that a municipality shall not receive any aid under this section if
22 the calculation results in a negative number.

23 (3) If a municipal tax levy for operational purposes was

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1 less than the average property tax levy in the immediately
2 preceding fiscal year, the state aid provided to such municipality
3 shall be reduced by twenty percent for each one-cent increment the
4 levy was below the average property tax levy.

5 (4) If the amount of money in the Municipal Equalization
6 Fund is less than the total amount of state aid for all
7 municipalities as required by the allocation formula in subsection
8 (2) of this section, the money in the fund shall be allocated on a
9 prorated basis to such municipalities. If the amount of money in
10 the fund is more than the total amount of state aid for
11 municipalities as required by the allocation formula, one million
12 six thousand dollars of the excess money in the fund for fiscal
13 year 2002-03 shall be distributed along with and in the same manner
14 as provided in section 77-27,137.01 and the remainder shall be
15 credited to the General Fund and the excess money in the Municipal
16 Equalization Fund for all other fiscal years shall be credited to
17 the General Fund.".

18 2. On page 1, line 1, strike "section" and insert
19 "sections 77-27,139.03 and"; in line 2 after the semicolon insert
20 "to change a state aid allocation formula;"; and in line 5 strike
21 "section" and insert "sections".

22 3. On page 3, line 26, strike "section" and insert
23 "sections 77-27,139.03 and"; and in line 27 strike "is" and insert
24 "are".

25 4. Renumber the remaining sections accordingly.